



Extended Development Agreement Fact Sheet

What is the Development Agreement (DA)?

Crafted in 1992 the original DA between Bayer and the City of Berkeley was the first of its kind in the city and provided a model for other cities on public-private partnerships that spur economic growth and encourage community investment. It secured development rights enabling Bayer to manufacture vital treatments for patients around the world and guaranteed funds to help a community thrive.

Why is an extension of the DA proposed?

Extending the DA continues to forward those same goals of developing and producing medicines for patients globally while also helping the Berkeley community thrive for another 30 years. The DA extension ensures Bayer's ability to transform its biotech operations locally while:

- Ensuring the City of Berkeley remains competitive for infrastructure investments from the global life sciences company
- Setting the stage for growth of an anchor manufacturer and biotech enterprise in West Berkeley that employs a diverse workforce with job opportunities from high school to PhD
- Providing strict guidelines for how Bayer is to develop its facilities in a way that protects neighbors and the environment
- Maintaining view corridors and mitigating traffic impacts
- Securing \$33 million in community investment by Bayer over the next 30-year term focused on STEAM education, community resiliency in West Berkeley, affordable housing, arts and childcare.

What development rights does Bayer secure?

- Preservation of existing uses: Production, Lab, Warehouse, Utility, Maintenance, Admin, and Parking
- Retains heights allowed under the current agreement (45', 65' and 80') to enable biotech manufacturing processes while adjusting the location of the zones for more efficient operations
- Ensures predictable permit approval (AUP) process
- Supports a total development capacity of 1.74m square feet of total development *(0.12m fewer square feet than the current DA entitlement allows)*

What are the community benefits for Berkeley if the DA extension is approved?

As consideration for entering into the Development Agreement and contingent upon approval of Bayer's requested zoning and permitted uses, entitlements and processes, Bayer will provide an annual investment for community benefits and full impact fees for the full development of the site regardless of whether all facilities are actually built.

In 2022, Bayer's initial community benefits investment would equal \$800,000. That initial amount would increase each year by 2%, with the investment totaling \$1,460,000 in 2052. The total cash investment over the term of the agreement total \$33.1 million.

The City has determined, based on community feedback gathered over the nearly two-year long review process of Bayer's proposed DA extension and the related CEQA process, that Bayer will invest the funds across five investment categories. Percentages for each category are indicated in the table below with examples of Bayer's investment in each in year 1 and year 30.

Category	Percentage	2022	2052
1. Science, Technology, Engineering, Arts and Math ("STEAM") Education, Career Technical Education (CTE) Partners	48.5%	\$388,000	\$708,845
2. West Berkeley Community Resiliency Funds	20.0%	\$160,000	\$292,307
3. City of Berkeley Affordable Housing Trust Fund (the "Housing Investment")	20.0%	\$160,000	\$292,307
4. City of Berkeley Affordable Childcare Fund	4.0%	\$32,000	\$58,461
5. City of Berkeley Private Percent for Art Fund	7.5%	\$60,000	\$109,615

What is the timeline to extend the DA?

Leadership of the two organizations have aligned on the terms of this agreement and the community benefits package represents the best and final offer from Bayer. There remain three action milestones in the public process at the City of Berkeley: Planning Commission meeting (October 20), first reading at City Council (November 30) and second reading and final action at City Council (Dec 14).

Are there specific ways the STEAM and CTE funds will be used?

Based on community feedback, Bayer will continue its focus on paid internships for high school and community college students while enabling STEAM engagement in the TK-8th grades. A STEAM program selection committee organized by the City and Bayer (with members selected one third by the City, one third by Bayer and one third by mutual agreement), will oversee STEAM/CTE grants allocated as follows:

- TK-8th Grade – 10% (Ten Percent)
- High School career technical education and paid internships – 50% (Fifty Percent)
- Community College STEAM career pathways and paid internships – 40% (Forty Percent)

Through this program, Bayer will fund five-year grants and the committee will convene annually to assess the performance of the grantees.

Are there specific ways the funds for resiliency in West Berkeley will be used?

Based on community feedback, resiliency investments by Bayer in West Berkeley will equally distributed among the following programmatic areas in a process led by a West Berkeley grant committee, with members selected by the City and Bayer in same manner as STEAM/CTE committee above:

- Climate action
- Health equity
- Local economic resiliency

Through this program Bayer will fund three-year grants and the committee will convene annually to assess the performance of the grantees.

Are there specific ways the funds for affordable Housing, affordable childcare and private percent for arts will be used?

Bayer will make annual contributions according to the allocations table above to City-administered funding sources which will distribute funds according to City policy and practice. It's important to note, that the proposed DA extension actually provides over 25% more funding to affordable housing than would be required by impact fees even with full build out of the site development plan.

Is Bayer making any other commitments that will benefit the community?

In addition to \$33.1 million investments into the Berkeley community, Bayer has committed to non-monetary contributions:

1. Bayer employee volunteerism hours and mentorships
2. Local hiring outreach and promotion
3. Promotion of neighborhood events, e.g. community-building events, community meetings, and mailers for Bayer sirens and alarm systems
4. Non-monetary support for Career Technical Education (CTE) program (e.g. hosting qualified CTE internship programs on site as well as administrative and IT support for internship organizations)
5. Identification and, where possible, increase of specific commitments to contracting with minority-owned businesses
6. Sustainability commitments beyond compliance, e.g. sustainability practices that go beyond the required mitigation measures identified through CEQA process
7. Use of Bayer facilities, if available, for Berkeley Fire Department training

Are there other benefits to the community?

The community benefits within the proposed DA extension are the “icing on the cake.” This agreement will allow Bayer to build facilities that will be used to make important medicines for people experiencing serious medical conditions for which treatment options are limited including but not limited to Parkinson’s Disease, Cardiovascular Disease and various cancers. The nearly one million square feet of new facilities will be built predominantly by union represented trades.

Bayer’s Biotech operations are expected to increase Bayer direct employment by roughly 1,000 more jobs over existing employment levels and economic analysis by the Bay Area Council Economic Institute shows that for every job at Bayer another is created in the region. The projected economic impact of Bayer rises significantly in Berkeley and the Bay Area by 2052:

- Berkeley: From \$15 million to \$29 million in 2052 – 97% increase
- East Bay: From \$222.5 million to \$422.0 million in 2052 – 88% increase
- Bay Area: From \$353.2 million to \$613.1 in 2052 million – 74% increase

How are environmental impacts of Bayer’s development of its site being mitigated?

A comprehensive environmental review under CEQA of Bayer’s proposed development of its 46-acre West Berkeley site has been conducted with an outcome of no significant unmitigated environmental impacts identified. The Subsequent Environment Impact Report generated a mitigation program of requirements that range from clean energy sources, bird safe glass, to a robust Transportation Demand Management program including a shuttle to connect Bayer employees with BART.